



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture



JULY 9, 2002

West Coast Ports and Longshoremen's Union Continue To Negotiate. Although the current labor contract expired July 1, the International Longshoremen and Warehouse Union (ILWU) has been extending the contract with the ports on a day-to-day basis. The parties, which continue to negotiate in an effort to avoid the first dock strike in more than 30 years, disagree on the issue of wages and benefits as well as the implementation of new cargo-handling technology. The ILWU has not voted to authorize a strike, and the ports have promised not to lock out the dock workers unless they stage a slowdown.

Agricultural grain producers located in the Pacific Northwest (PNW)--particularly wheat growers--would be affected by a strike more than grain producers located in other regions of the United States. Most export grain elevators have a separate contract with the ILWU governing the handling of incoming grain; however, because they are also covered under the contract being negotiated, most export elevators will be unable to load export grain onto ships. Roughly 85 to 90 percent of Washington wheat is exported through the PNW, with similar percentages coming from wheat grown in Idaho and Oregon. Altogether, the PNW handles 40 percent of U.S. wheat exports, 14 percent of corn exports, and 7 percent of soybean exports, for a total of 25 percent of all U.S. grain exports.

A port strike would have severe effects upon containerized agricultural exports because West Coast ports handle 65 percent of all containerized exports from the United States. Approximately \$2 billion in containerized high-value agricultural exports and \$165 million in lower valued bulk agricultural shipments move through West Coast ports each month from July to September. Of those items shipped through West Coast ports, nearly 35 percent of fresh fruit exports, 30 percent of nonalcoholic beverages, and 30 percent of fresh and frozen vegetable exports are moved from July to September. Because many of these products are perishable, a delay due to a labor strike could result in significant losses due to spoilage. (*Marvin Prater, USDA-Transportation Services Branch, Marvin.Prater@usda.gov*)

GAO Releases Report, "Railroad Regulation: Changes in Freight Railroad Rates from 1997 through 2000." The General Accounting Office (GAO) reports that rail rates have generally decreased from 1997 through 2000. Average rates for wheat fell from 2.45 cents per ton-mile in 1997 to just under 2.4 cents per ton-mile in 2000. Corn rates generally decreased from about 2 cents per ton-mile in 1997 to 1.8 cents per ton-mile in 2000. Rail rates for some commodities and distance categories, however, including wheat moving more than 1,000 miles, have stayed about the same or increased. Freight rates for wheat moving between 501 and 1,000 miles have stayed about the same or decreased, with the exception of wheat shipped from Oklahoma City, OK, to Houston, TX, which increased from 1.9 cents per ton-mile in 1997 to 2.2 cents per ton-mile in 2000. GAO found that rail rates were generally higher in areas considered to have less railroad-to-railroad and intermodal competition. (*Marvin Prater, USDA-Transportation Services Branch, Marvin.Prater@usda.gov*)

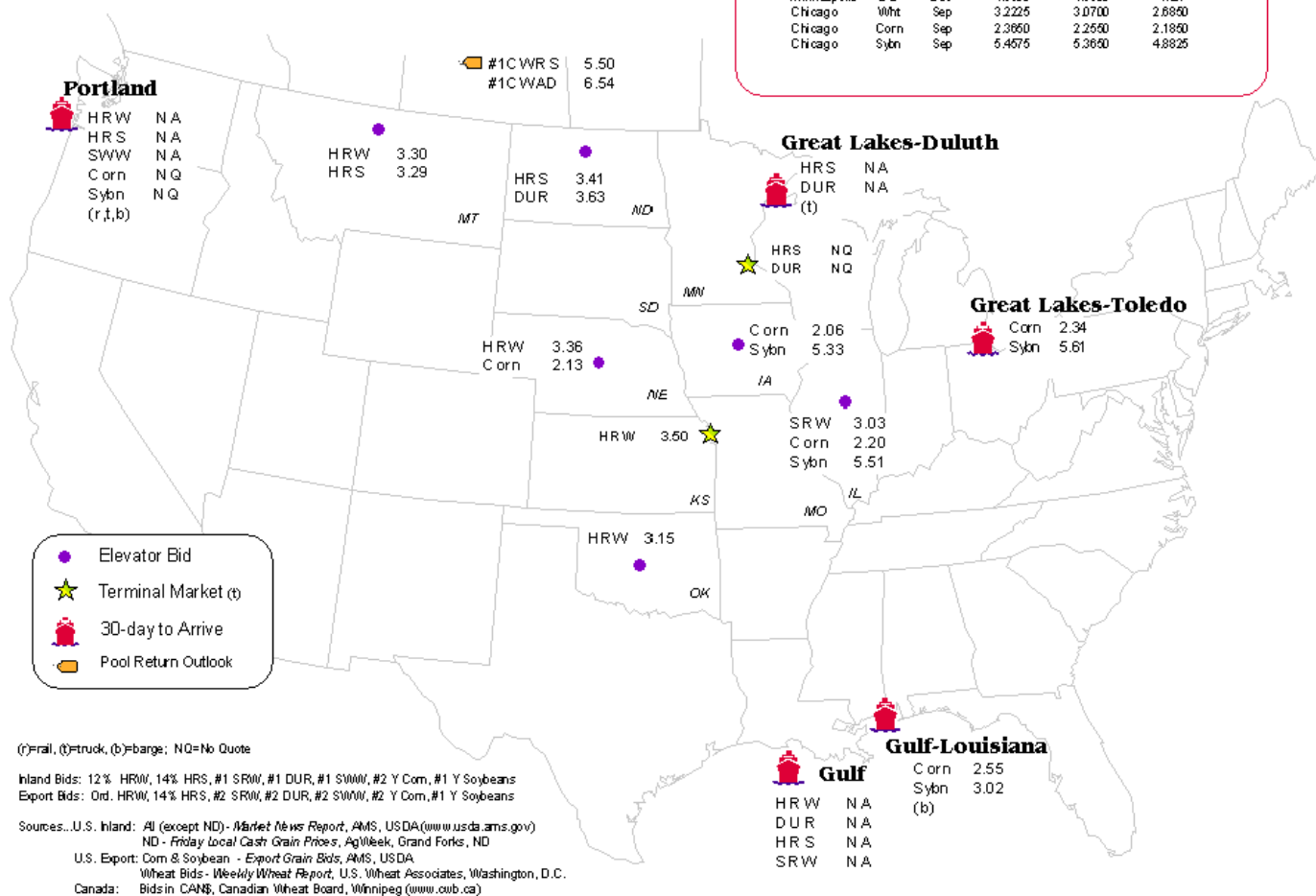
U.S./Mexico Trucking Problems Linger. Though it appears that the United States will begin allowing Mexican trucks to cross the border into the U.S. interior later this summer, the same does not appear to be true for U.S. trucks entering Mexico, according to a news wire source. In addition to the problems of a language requirement, time restrictions for crossing the border, and temporary (not permanent) operating authority, Mexican truckers are particularly displeased by the requirement for on-site inspections by U.S. Department of Transportation (DOT) agents, who will visit Mexico to inspect a company's operations and equipment. Additional inspectors will also be stationed at the U.S.-Mexican border to process the long-haul trucks entering the United States. So far, roughly 40 of the more than 45,000 Mexican trucking firms have filed for U.S. permits. Mexico, on the other hand, is not accepting applications from U.S. truckers, and Mexican officials are not commenting on plans to do so. It prolongs what, arguably, has become the biggest controversy of the North American Free Trade Agreement's trucking provision.

While Mexican officials are suspending their permit process for the now, U.S. truckers, environmentalists, and labor unions remain apprehensive over whether to allow Mexican truckers deep into the United States. A common concern is over safety since, for now, only a fraction of Mexico's four million trucks that pass into, and are restricted to, the U.S. commercial border zone are actually inspected. Language will also be a problem when it comes to enforcement and safety. Many drivers will not be able to read road signs and comply with inspections without being able to speak English. Also, though U.S. States will be enforcing safety and truck authorization once Mexican trucks enter the U.S. interior, only Arizona and California State inspectors have the authority to take a Mexican truck out of service if it does not comply. (*NewsEdge 7/15, American Trucking Association Transport Topics 7/8*)

Report is prepared by Johnny Hill, Agricultural Economist, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Report design by Kimberly Vachal, Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments to Johnny.Hill@usda.gov

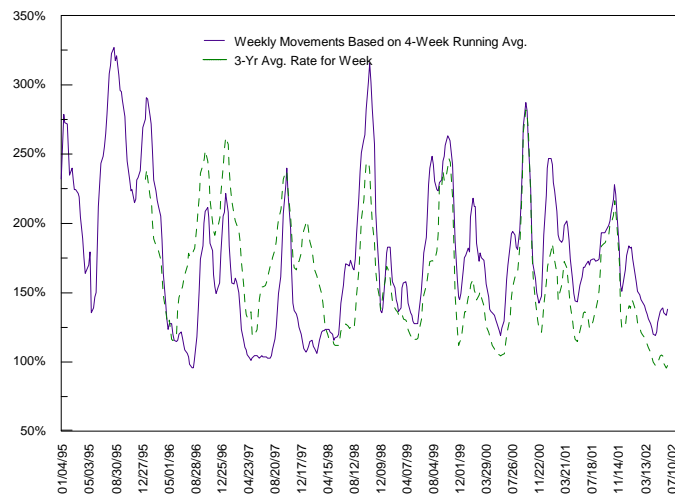
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Grain Bid Summary

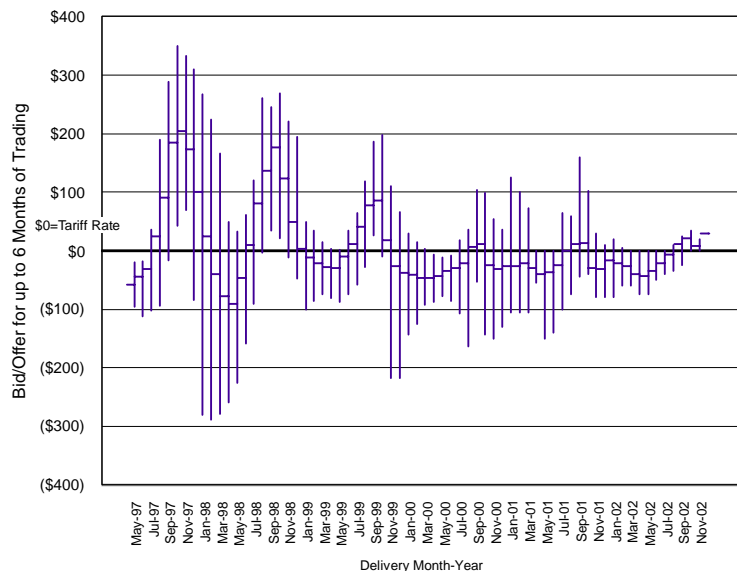


Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids



Rail Car 'Auction' Offerings

Delivery for:	Aug-02		Sept-02	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	12,966	21%	11,820	68%
UP-GCAS	5,400	4%	5,400	1%

Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Jul-02	Aug-02	Sep-02	Oct-02
BNSF-GF	\$12	\$12	\$16	\$24
UP-Pool	\$4	\$5	\$10	\$18

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;
 GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange,
 Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Aug-02	Sep-02	Oct-02
COT/N. Grain	no bid	\$0	\$0
COT/S. Grain	\$0	no bid	no bid
GCAS/Region 2	\$1	no bid	no offer
GCAS/Region 4	no bid	no bid	no offer

Source: T&M/AMS USDA. Data from www.bnsf.com, www.uprr.com,
 (COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal/Cash Basis Values

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

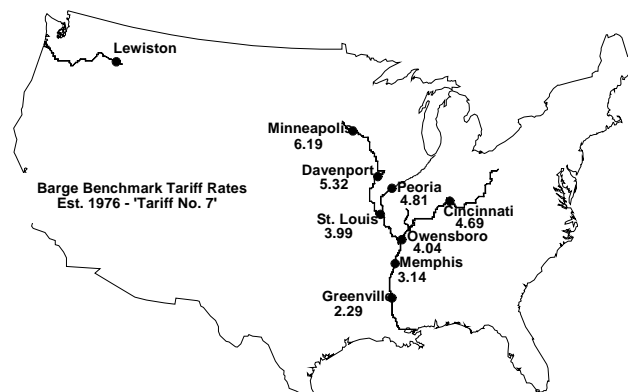
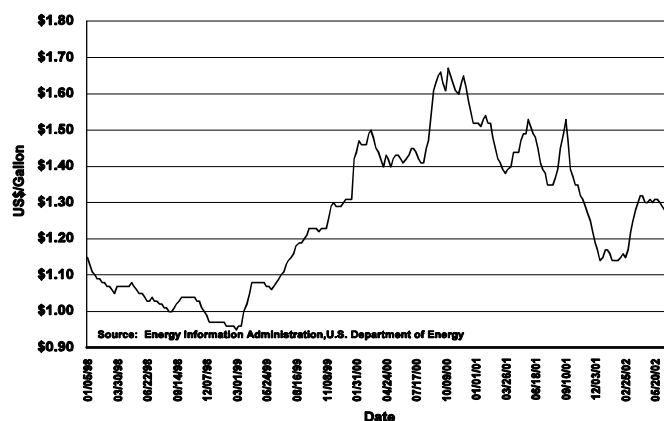
Week ended	River/Region	Contract Period	Rate	
			Futures	Cash
07/9/02	St. Louis	Jul	0	110
		Sept	0	180
		Nov	0	155
		Dec	0	135
	Illinois River	Jan	0	135
		Jul	0	140
		Sept	0	185
		Nov	0	170
		Dec	0	163
		Jan	0	183

Source: St. Louis Merchants Exchange

Southbound Barge Freight Spot Rates

	7/3/02	6/26/02	Aug '02	Oct '02
Twin Cities	196	203	210	248
Mid-Mississippi	160	165	173	222
Illinois River	147	151	165	213
St. Louis	105	105	139	198
Lower Ohio	116	108	151	210
Cairo-Memphis	96	98	135	191

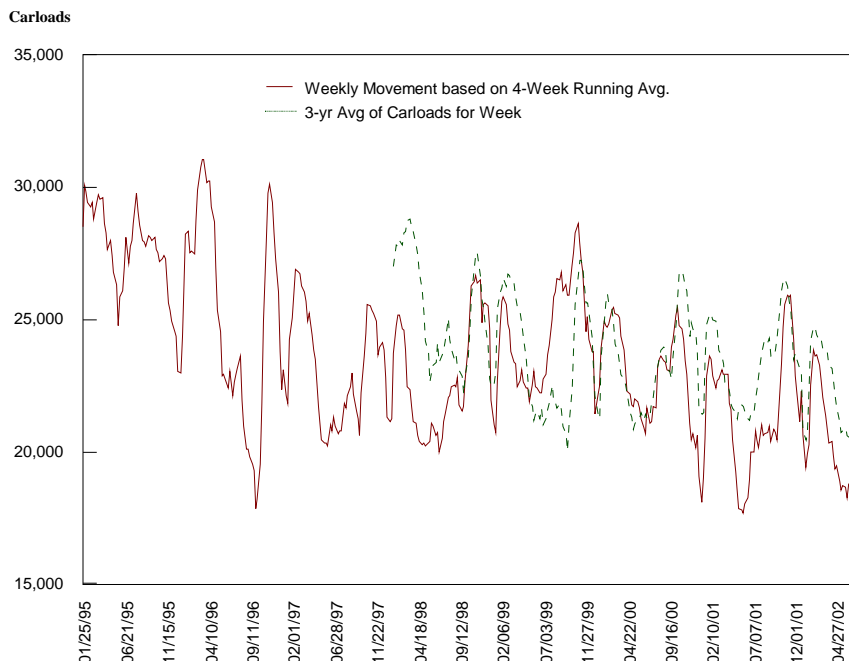
Source: Transportation & Marketing /AMS/USDA
 nq=no quote;

Weekly Retail Diesel (Road) Prices (Including Taxes)

Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
6/15/02	18,927
6/22/02	19,855
6/29/02	20,176
Year to Date - 2002	534,173
Year to Date - 2001	546,274
Total 2001	1,117,601
Total 2000	1,188,917

Source: Association of American Railroads



Class I Rail Carrier Grain Car Bulletin

Grain Carloads Originated

	East		West			Canada	
	CSXT	NS	BNSF	KCS	UP	CN	CP
06/29/02	2,979	3,032	6,936	799	6,430	4,027	3,018
This Week Last Year	3,224	3,077	7,866	579	6,946	5,387	4,536
2002 YTD	73,704	80,993	187,743	15,006	172,572	105,869	93,010
2001 YTD	80,296	80,780	203,311	11,817	170,070	126,533	115,341
2001 Total	151,864	163,018	428,603	26,330	347,156	254,982	232,461
2000 Total	147,708	153,905	425,849	26,515	364,785	160,749	239,670

Source: Association of American Railroads

Tariff Rail Rates for Unit Train Shipments

July 2002

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
07/01/02	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$22.60	\$0.62
07/01/02	43521	Wheat	Minneapolis, MN	Portland, OR	\$3,877	\$42.74	\$1.16
07/01/02	46540	Wheat	Kansas City, MO	Houston, TX	\$1,650	\$18.19	\$0.50
07/01/02	43586	Wheat	Kansas City, MO	Portland, OR	\$4,347	\$47.92	\$1.30
07/01/02	43581	Wheat	Omaha, NE	Portland, OR	\$4,005	\$44.15	\$1.20
07/01/02	31040	Corn	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
07/01/02	31035	Corn	Kansas City, MO	Portland, OR	\$3,200	\$35.27	\$0.90
07/01/02	31040	Corn	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
07/01/02	61180	Soybean	Minneapolis, MN	Portland, OR	NA	\$0.00	\$0.00
07/01/02	61180	Soybean	Omaha, NE	Portland, OR	NA	\$0.00	\$0.00
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

Source: www.bnsf.com

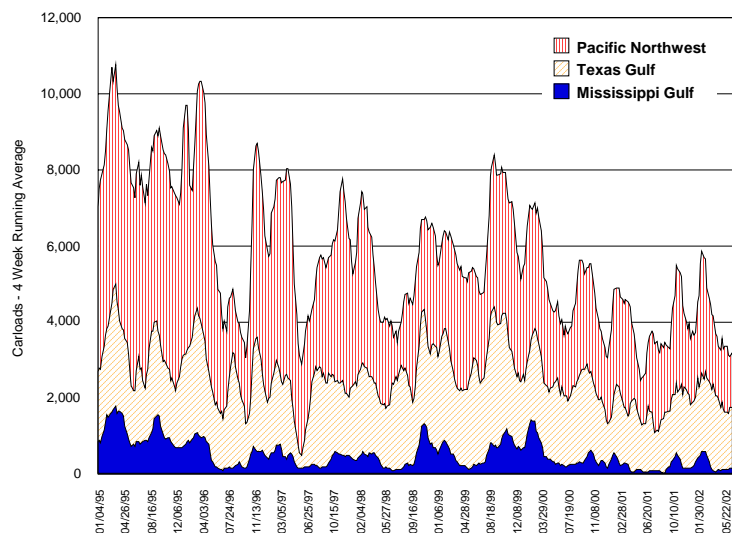
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port

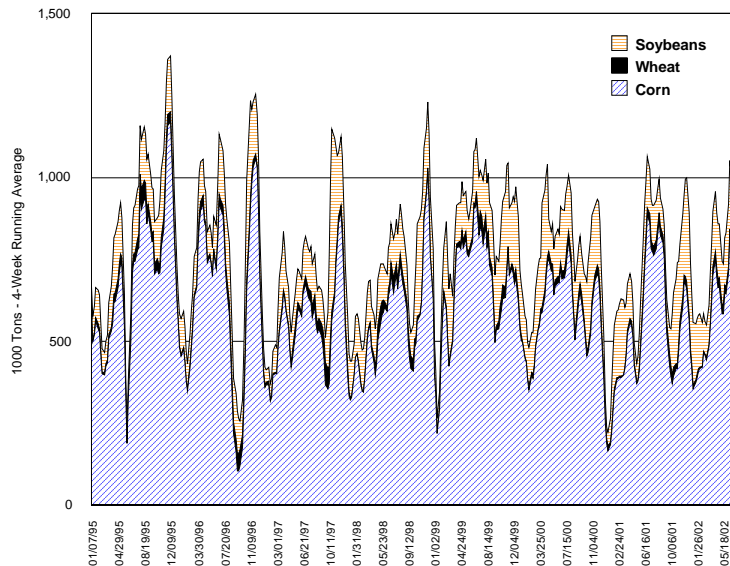
Carloads

	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
06/05/02	12*	1,631	1,725	528
06/12/02	206*	1,397	991	314
06/19/02	246*	2,085	1,015	56
06/26/02	152*	1,778	2,036	303
07/03/02	9*	1,872	2,108	686
07/10/02	198*	738	1,999	129
YTD 2002	6,703	50,955	54,905	13,418
YTD 2001	5,405	43,100	58,613	14,885
Total 2001	10,022	81,804	111,376	26,604
Total 2000	25,767	104,473	128,414	14,816

Source: Transportation & Marketing/AMS/USDA

Rail Deliveries to Port

(*) Incomplete Data

Barge Movements - Locks 27**Barge Grain Movements**

for week ending 6/29/02

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	458	23	99	584
Winfield, MO (L25)	483	11	119	617
Alton, IL (L26)	699	13	163	895
Granite City, IL (L27)	658	12	163	853
Illinois River (L8)	214	3	29	257
Ohio (L52)	n/a	n/a	n/a	n/a
Arkansas (L1)	n/a	n/a	n/a	n/a
2002 YTD	17,463	1,073	5,345	24,735
2001 YTD	14,108	1,019	4,857	21,038
Total 2001	31,878	2,679	10,616	47,091
Total 2000	33,482	2,518	10,327	48,247

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.
Source: U.S. Army Corp of Engineers.

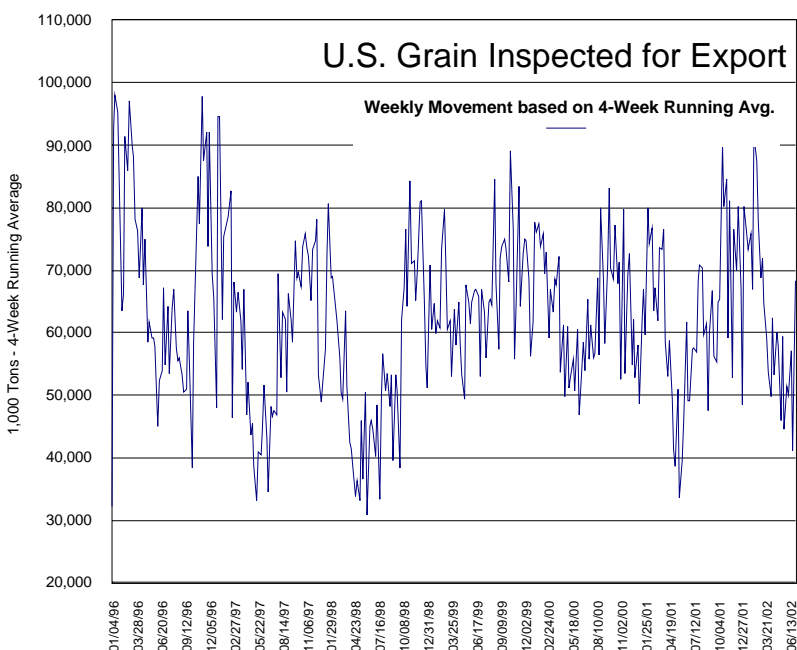
U.S. Export Balances (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	Wheat <i>SWW</i>	<i>DUR</i>	<i>All</i>	Corn	Soybean	Total
<u>Unshipped Exports-Crop Year</u>									
06/27/02	1,137	396	1,043	515	182	3,272	7,511	3,475	14,258
This Week Year Ago	1,032	723	845	465	234	3,300	7,533	2,050	12,883
<u>Cumulative Exports-Crop Year</u>									
01/02 YTD	551	243	245	258	32	1,329	38,644	26,916	66,889
00/01 YTD	589	254	330	202	65	1,440	36,924	17,713	56,077
99/00 Total	9,858	4,710	6,305	5,413	1,232	27,518	37,220	24,516	89,254
98/99 Total	7,387	3,645	7,864	6,105	963	25,965	44,476	24,501	94,942

Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov) Crop Year:Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
07/04/02	170	166	9	171	857	191	154	0	72
2002 YTD	4,117	2,237	1,252	2,842	19,498	9,195	3,166	138	860
2001 YTD	5,043	2,401	1,251	2,781	16,267	8,311	2,881	171	780
% of Last Year	41%	37%	73%	42%	55%	51%	46%	29%	85%
2000 Total	9,946	6,006	1,710	6,776	35,231	17,953	6,927	470	1,008

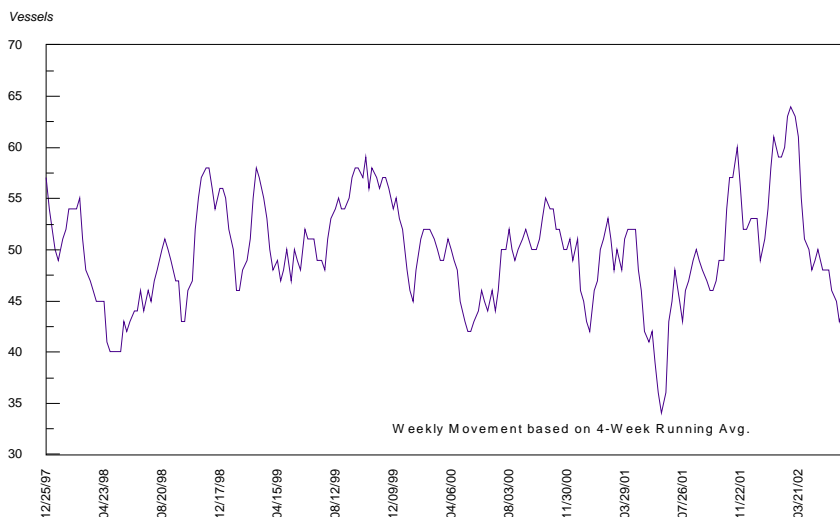
Source: Federal Grain Inspection Service YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 6/20/02			
Vancouver	5,592	372	476
Prince Rupert	1,100		
Prairie Direct	1,147	393	353
Thunder Bay	594	277	107
St. Lawrence	2,233	1,921	0
2001 YTD Exports	10,666	2,963	961
2000 YTD Exports	11,451	3,028	1,753
% of Last Year	93%	98%	55%

Source: Canadian Grains Commission, Crop year 8/1-7/31



**Gulf Region
Vessels Loaded
- Past 7 Days-**

Port Region Ocean Grain Vessels

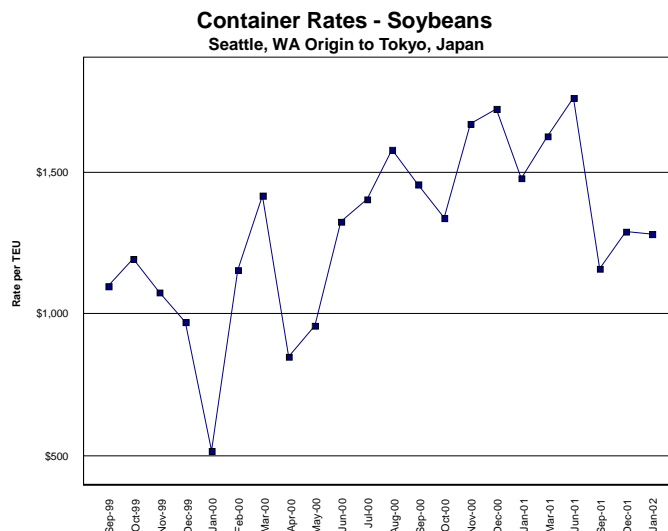
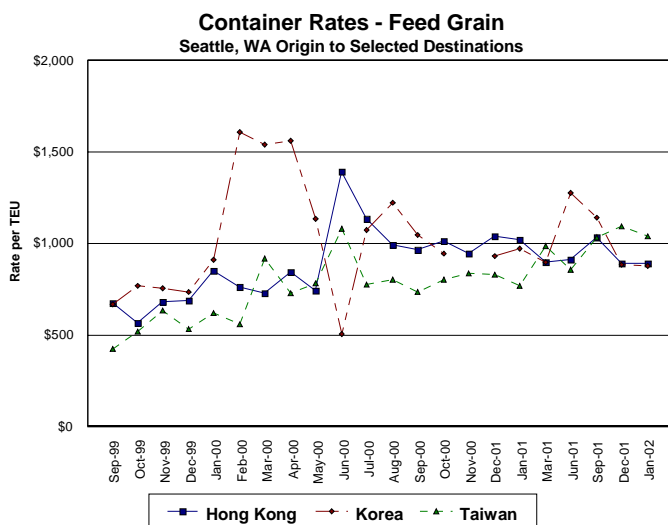
	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
07/03/02	44	52	61	6			5	4	2
07/10/02	36	56	70	3			4	2	0
2001 Range	(13..65)	(28..64)	(46..81)	(1..18)			(4..20)	(3..14)	(0..7)
2000 Range	(23..50)	(34..57)	(47..83)	(4..15)			(4..20)	(5..19)	(0..9)
2001 Avg	36	48	63				12	8	3
2000 Avg	36	49	65				11	9	3
1999 Avg	32	52	65				10	9	3

Source: Transportation & Marketing /AMS/ USDA

Container Ocean Freight Rates

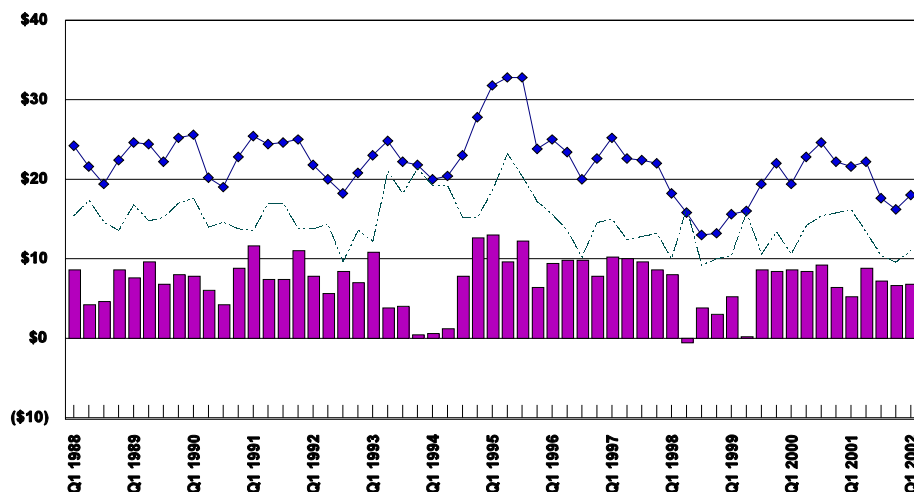
Monthly Weighted Averages Based on Shipping Line Monthly Mkt. Share

Source: Transportation & Marketing/AMS/USDA



◆ Rate - Gulf to Japan
 --- Rate - PNW to Japan
 ■ Spread - Gulf vs. PNW to Japan

US\$/Metric Ton



Quarterly Ocean
Freight Rates

Quarterly Ocean Freight Rates

Average Rates & Percentage Changes, U.S. Dollars/Metric Ton - Basis

	2002 1st Qtr	2001 1st Qtr	% Change		2002 1st Qtr	2001 1st Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$18.10	\$21.70	-16%	Japan	\$11.13	\$16.36	-31%
Mexico	\$31.49		-				
Venezuela		\$13.53	-				
N. Europe	\$10.67	\$15.19	-29%	Argentina to			
N. Africa	\$17.58	\$26.25	-33%	Med. Sea	\$17.85	\$22.14	-19%
Med. Sea	\$10.97	\$14.81	-25%	N. Europe	\$13.48	\$16.47	-18%
Black Sea	\$49.12		-	Japan	\$25.59	\$30.51	-16%

Source: Transportation & Marketing/AMS/USDA; (*) rates shown are for metric ton (2,204.62 lbs.=one metric ton)

Ocean Freight Rates (Select Locations) - week ending 6/29/02

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Gulf	Latvia	Wheat Flour (Bgd)	Aug 20/25	7,020	\$83.61
Gulf	Casablanca	Heavy Grain	Jun 25/30	30,000	\$17.00
Gulf	Congo	Grains (Bgd)	Jul 25/30	4,500	\$82.00
Gulf	Durban (S. Africa)	Heavy Grain	Jul 1/10	25,000	\$19.00
Gulf	Mombasa (Kenya)	Grains (Bgd)	Jul 1/10	6,950	\$171.00
Gulf	Taiwan	Heavy Grain	Jul 10/20	56,000	\$17.35
Gulf	Japan	Heavy Grain	Jul 1/15	54,000	\$18.25
Gulf	Japan	Heavy Grain	Jul 29/Aug 9	54,000	\$18.25
Paranagua	France	Pellets	Jun 21/25	55,000	\$11.00
Romania	Tunisia	Wheat	Jun 30/	25,000	\$13.40

Source: Maritime Research Inc.; rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option